



Microfinance in Mexico: A Labor of Love Celebrates Its Five-Year Anniversary

Sara Anne Hook, M.L.S., M.B.A. (Finance), J.D.

Project Leader and “Champion”

Rotarian, Rotary Club of Indianapolis

Member, RAGM (Rotarian Action Group for Microfinance & Community Development)

“Not all of us can do great things. But we can all do small things with great love.”

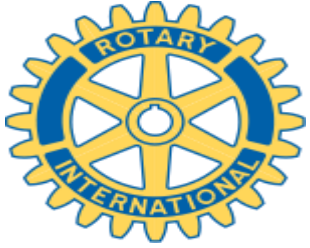
Mother Teresa

It All Started...

- When I read an article in *Forbes* many years ago about the work of Muhammad Yunus and his microfinance efforts in Bangladesh.
- Being a Finance major in my M.B.A. program and also with a long history of interest in both investment and entrepreneurship, I said to myself, “Wow! I would like to be involved in a microfinance project someday.”
- And then one day at Rotary, Dr. Sarah Stelzner and Miyuri Jindal, her Service Learning Assistant, gave a presentation about their work in Calnali, Mexico (medical, dental and nursing school faculty and student missions since 1998) and made a request for funding to start a microfinance project there.
- Had assessed the readiness of the community to support such a project.
- What they found over the years was that it was great when groups of faculty and students visited the community and rendered medical, dental and nursing care once or twice a year. But true improvements in the health status of the community would only happen if the people (women) had an opportunity to earn an income so that they could provide these things for themselves and their families throughout the rest of the year.

It All Started...

- But the Rotary Club of Indianapolis requires that any international project have a “champion” from the club, preferably a member of the World Community Service Committee.
- My hand shot up so fast! Not only at the opportunity to lead a microfinance project, but also because I believe that as our closest neighbor and a major trading partner, the U.S. has a special responsibility for Mexico.
- This project would be the first microfinance project funded by the Rotary Club of Indianapolis, so I would also be opening the door for similar projects in the future.
- The committee agreed to provide \$5,000 in that year’s budget and I began planning for a trip to Calnali as part of a delegation from IUPUI.
- This amount was matched by the IUPUI BiCCHec Signature Center.
- To prepare, I also started taking online Spanish courses, supported by a Language Learning Grant, Indiana University Vice President for International Affairs



The Rotary Club of Indianapolis

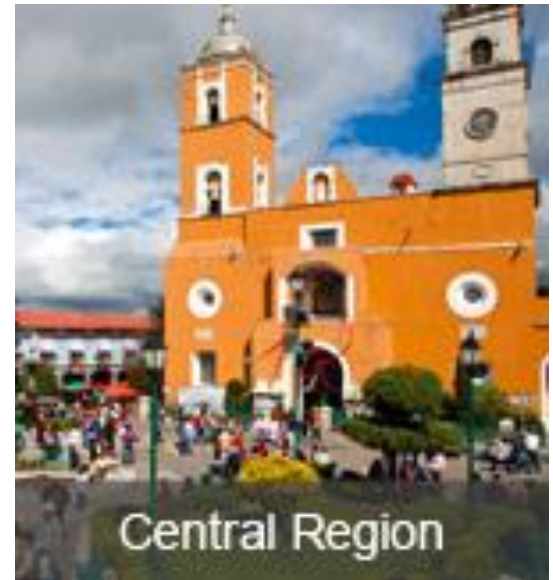
- Has a very robust set of projects around the world, dealing with clean water, economic development, providing medical and dental services, environment and beautification, peace and conflict resolution and education.
- My Rotarian colleagues helped me take an inventory and just in the last few years, we have had projects in Mexico, Jamaica, Haiti, Kenya, Ecuador, Guatemala, Dominican Republic, Cameroon, Zimbabwe, Sierra Leone, Uganda and Tanzania.
- Our club's second microfinance project has just started - in Sierra Leone, which has been ravaged by Ebola.



But First...

- Our delegation from IUPUI visited the State of Hidalgo (capital city is Pachuca) and Calnali in March 2010.
- In Pachuca, I gave presentations to the law school faculty at the Instituto de Ciencias Sociales y Humanidades (ICSHu) and the business school faculty at the Instituto de Ciencias Económico Administrativas (ICEA) at the Universidad Autónoma del Estado de Hidalgo (UAEH).
- We also toured the Instituto de Artes (IDA), which is located up the mountain in the beautiful, historic town of Real de Monte.

Pachuca



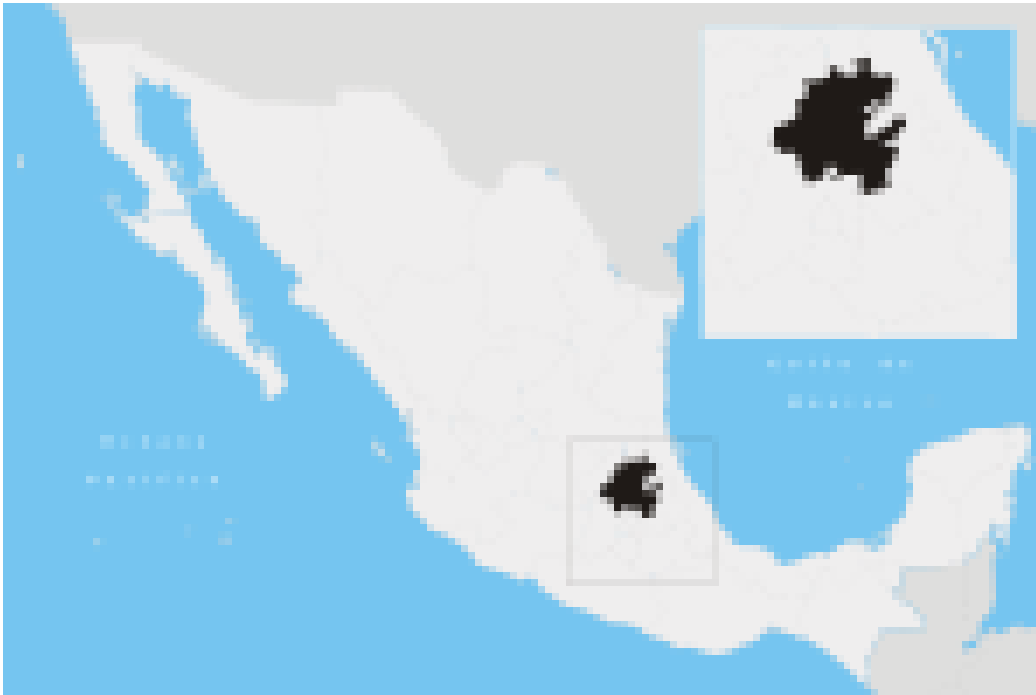
Central Region

Pachuca, State of Hidalgo, and Michigan (Pastes versus Cousin Jenny's Pasties)



Both areas were settled by miners who came from the Cornwall region of England.

Where is Calnali?



In the State of Hidalgo, NE of Mexico City. The capital is Pachuca, the site of UAEH and Pro Mujer's office in Mexico.

Beautiful Vistas



Difficult to get to – the Blue Ridge Parkway without guardrails

Stuck by the side of the road for several hours while the front wheel of our van was repaired

Shooting of consulate employees and their families – contemplated having us turn around and head back to the U.S.

Scenes from Calnali



Several Internet cafes, but no clean water

“Under construction” = unintended consequences?

26.7% of men and 91.8% of women in Calnali are economically inactive, with little access to employment in the formal sector.

But With Challenges...



Village of Tula



Village of Atempa



Delegation from IUPUI – March 2010



Dr. Dawn Whitehead (right) makes sure that her group is assembled for the trip to Huehuetla. We had a beautiful sunny day for our travels and the views and vistas through the mountains were spectacular.

Presentations from Pro Mujer



The Mayor of Calnali and other dignitaries listen to a presentation from Isaac Lescano about the microfinance services of Pro Mujer.

Presentations from Pro Mujer



Citizens listen intently as Isaac Lescano describes the microfinance program through Pro Mujer, with funds provided by the Rotary Club of Indianapolis.

Importance of Good Relationships Between All Partners



The Mayor of Calnali and other dignitaries visit with Dr. Sarah M. Stelzner, Indiana University School of Medicine, and Mayuri Jindal, 4th year medical student (far right), along with Juana Watson from Friends of Hidalgo.

Schools at IUPUI Have Been Working in Calnali Since 1998



Numerous groups from IUPUI and the Friends of Hidalgo travel regularly to Calnali to participate in service projects. Here a group of dental students, led by Dr. E. Angeles Martinez Mier from the Indiana University School of Dentistry, return to Calnali and unpack their supplies after a productive day treating patients in nearby villages.

Indiana University School of Dentistry Team



Pride in Traditional Crafts



Women Who Will Benefit from the Loans



Dr. Sarah Stelzner (center), Assistant Clinical Professor of Pediatrics at the Indiana University School of Medicine, who had the vision for starting a microfinance project in Calnali, admires the beautiful beadwork and embroidery of Erika (right). Dr. Stelzner and her colleague, Dr. Diane Lorant, have taken a particular interest in Erika's family.



Erika's extended family beams with pride as they stand in front of her work. Through the microfinance project, Erika will be able to take out a small loan to advance her skills in producing beautiful embroidered and beaded garments and purses - and her whole family will benefit.

Beautiful Traditional Embroidery and Beading from Calnali Area





Small loans may also be used to advance the pottery traditions of Calnali and the neighboring villages, which are known for their special types of clay. Professor Mark Richardson, Herron School of Art and Design (center), was able to provide some time-saving tips on constructing clay items. Juana Watson (center, wearing the red coat) is instrumental in the success of projects in Calnali, having grown up there herself.

Under Rotary's Guidelines, We Must Work with a "Host" Rotary Club



Professor Sara Anne Hook from the Rotary Club of Indianapolis enjoys lunch and a meeting with members of the Rotary Club of Huehuetla (way-HOOT-la), State of Hidalgo, Mexico. This is our host Rotary Club for the microfinance project.

CONCLUSIONES

- ▶ Poner un Punto de CF. En la Calnali
- ▶ Desplazar un Asesor un día a la semana para cumplir todo el proceso de la tecnología de Pro Mujer. (Banca Comunal)
- ▶ Requerimos un capital de 51.000 \$us. para llegar al punto de equilibrio (\$ mex. 612.000)
- ▶ Conformar mínimamente 40 asociaciones de 10 socias, para alcanzar punto del punto de CF. en 10 meses, (4 asociaciones por mes)
- ▶ Buscar financiamiento para el sostenimiento del punto de CF., hasta alcanzar punto de equilibrio, +/- 10 meses.
- ▶ Costo mensual de mantenimiento 526 \$us. (6312 \$)
- ▶ Cumpliendo la cartera proyectada, el sostenimiento del punto de Centro Focal será permanente, rotando el capital hasta 2 veces al año, hecho que garantizaría la sostenibilidad del punto de CF.
- ▶ Se sugiere aplicar el monitoreo y supervisión de A.I. y por parte de los financiadores para garantizar la correcta aplicación de los fondos.

Service Learning Assistants (SLA)

- IUPUI Center for Service and Learning: Supports scholarships for Service Learning Assistants
- Fall, Spring and Summer semesters - \$750 scholarship for Fall and Spring semesters, \$600 for Summer semester
- Then the faculty mentor chooses – I wanted all of my SLAs to be Spanish majors and even better, if they were interested in International Affairs.
 - Meghan Cross
 - Gabriela Mendoza
 - Ashley Oliver
 - Mary Ankenbrook
 - Jessica Crouse



Partners



- Pro Mujer is our fiscal agent.
 - Started in Bolivia, Pro Mujer also operates in Mexico, Argentina, Nicaragua and Peru.
 - Receives the highest ratings on the MX Market, which evaluates microfinance organizations around the world.
 - Recently The Smart Campaign announced that Pro Mujer in Mexico became one of the first three institutions in Latin America and the Caribbean region to receive certification in Client Protection Practices recognizing its hard work and exceptional commitment to the fair treatment of its clients, as demonstrated in meeting the standards needed for certification.
 - Also offer empowerment training, financial management training, training on how to build a company.
 - Women are grouped into “communal banks” for peer support.

More Partners

- The Friends of Hidalgo is a not-for-profit organization that provides humanitarian assistance to the people of Calnali and the State of Hidalgo, Mexico.
- IUPUI's Binational/Cross-Cultural Health Enhancement Center (BiCCHEC) has an academic focus on research on binational health issues of recent immigrants to the state of Indiana and of the rural communities in Mexico from where those immigrants come.



Binational/Cross Cultural Health Enhancement Center

Testimonials



Communal Bank “The Doves” (Las Palomas) with their loan officer Matilde Hernandez Juárez

Testimonials



Angelina Fuentes Hernandez, hardware store owner, Communal Bank San Juan

“The credits from Pro Mujer have helped me continue investing in my hardware business. They have also helped me to, little by little, continue purchasing shelves where I place my products.”

Testimonials



Cecilia Portillo, Communal Bank *Los Rosales (The Rose Bushes)*

"I am in the communal bank Los Rosales (The Rose Bushes.) I am now in my fourth loan cycle, and thanks to the credits I have received from Pro Mujer I have been able to grow my business which has enabled me to improve things for my children."

Testimonials



Andrea Perez Aquino, women's clothing vendor, Communal Bank Los Rosales

"With the loans from Pro Mujer, I invest in merchandise to offer more things that my clients like. I also invest in catalogue sales. Thanks to Pro Mujer for continuing to help me."

Testimonials



Testimony from Mrs. Margarita Escudero from Communal Bank Las Margaritas de Calnali:
“Thanks to the loan I received through Pro Mujer, I can move ahead with my business, which is helping me overcome economic problems that I used to have. I hope to continue being part of this institution so that I can continue moving ahead. Thank you for keeping us in mind.”

Status of the Project: January 2015

- \$34,000 contributed from Rotary for loans
- \$15,000 from IUPUI BiCCHec Signature Center (including \$10,000 to purchase an automobile)
- \$2,000 from the Rotary Club of Cottleville/Weldon Springs, Missouri
- Equals \$51,000!

Calnali Outreach (as of December 2014)	
Loan portfolio	\$47,421
# of clients	250
# of communal Banks	28
Average loan balance	\$190

The number of women receiving microloans through Pro Mujer has increased significantly since it began receiving support from the Rotary Club of Indianapolis—from 65 (July 2010) to 250. This tremendous increase in number of women served—a 280% increase—has helped bring resources and employment to poor women in this remote and underserved community.

Future Plans and Synergy with Teaching, Research and Service

- Additional funding requested in 2015-2016 Rotary Club of Indianapolis budget or the project may be subsumed into an overall regional effort
- Teaching:
 - Include discussion and readings on microfinance as part of my entrepreneurship course (H550 Legal and Business Issues in Informatics).
- Research:
 - Preparing an article on microfinance in three Latin American countries
 - Preparing an article on copyright law in Mexico (in law school, I was the Executive Notes Editor of the *Indiana International and Comparative Law Review* - so I enjoy international and comparative law topics)
- Service:
 - ESL Tutor with Indy Reads – matched with adult students whose first language is Spanish
 - UPL – project to inform the Latino community about the risks of the Unauthorized Practice of Law (notario publico)
 - The “grand project” – pilot project completed, expanding to Rotary Club and District

Language - Calnali

- First language – Nahuatl
(pronunciation: [\['na:watɬ\]](#)) - Uto-Aztecan language family - Collectively they are spoken by an estimated 1.5 million Nahua people.
- Spanish as second language
- Nahuatl words you already know:
 - chocolate
 - avocado
 - chili
 - coyote
 - tomato





Any Questions?

Thank you for attending my
presentation!